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March 31, 2006

TO: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

FROM: J. Tyler McCauley
Auditor-Controller

A handwritten signature in dark ink, appearing to read "J. Tyler McCauley", is written over the printed name and title.

SUBJECT: **eCAPS Project Status Report – March 2006**

These project status reports are to keep your Board apprised of progress in meeting deliverables and identifying issues that may affect successfully implementing this enterprise application (eCAPS Project). The status report covers both monitoring of the July 2005 Phase I implementation, completing post-implementation Phase I activities, and the planning and implementing the Phase II expansion sub-projects. The CIO is providing project oversight and quality assurance during both phases of the project.

Since the last report, the eCAPS Project has implemented the Budget Preparation module for use by the CAO, completed the design of the Fixed Asset module, completed the submission of 1099s, stabilized the monthly reporting process, and made improvements in eCAPS reporting. Your Board requested a status report on the eCAPS Project use of the contingency funds. A new section is included in this status report describing contingency fund uses that have been approved by the eCAPS Advisory Committee. The current focus of the eCAPS Project is to:

- Continue to improve on reports and information available to departments;
- Establish a more formal on-going training process to support department's operational needs;
- Complete the new approach for Budget Books and implementation of the Budget Preparation application to departments;
- Complete the testing, training and implementation of the Time Collection application for DHS;
- Complete the design phase for all seven Human Resources modules;

- Complete the review of the Legacy applications for DPW, Interest Allocation and the annual Consolidated Accounting and Financial Reporting (CAFR) process; and
- Complete the design documents for Materials Management application of Procurement and Inventory.

Project Status

Project On Schedule:

No. The Time Collection Sub-project has been delayed to a June 2006 implementation; the Materials Management Sub-project is approximately two months behind pending completion of the Procurement and Inventory design documents; Budget Preparation, Human Resources Management and Legacy System Replacement Sub-projects are on schedule.

Project Within Budget:

Yes

Issues Requiring Attention:

Phase I and Budget Preparation reports

CIO Oversight Concerns:

Yes

Phase I - Project Accomplishments This Period

Project accomplishments since the last status report include:

- Improved the monthly reports process. The eCAPS monthly close cycle is executed by the end of the second business day and monthly reports are available to departments by the following Monday;
- Automated the process of producing the monthly reports after the monthly close to reduce staff overtime by approximately half;
- Completed the revision of the eCAPS application security setup to match department Internal Control Plans;
- Worked with the CIO, ISD and COGNOS representatives to redesign the reporting model to address access and performance problems with reports (implementation will begin at the end of March);
- Conducted over 22 meetings with departments to improve the understanding of existing eCAPS functionality and reports and to identify needed improvements to address department operational issues;
- Issued 1099 documents for 2005 and submitted the required electronic media to the IRS in March;
- Began implementing ad-hoc reporting for the Auditor-Controller's Accounting Division; and

- Developed the implementation plan for upgrading the eCAPS application from Version 3.4 to Version 3.6 (planned upgrade for November 2006).

Planned Activities for Next Reporting Period

The eCAPS Project Team's focus for the next period for Phase I activities is to:

- Implement the redesigned COGNOS report model to improve access and performance;
- Implement additional eCAPS reports to address department specific reporting requirements;
- Complete the review of the Phase I report requirements and begin converting the reports to the new COGNOS report model;
- Complete the testing for implementation of the FY 2005-06 annual close; and
- Implement the FY2006-07 budget based on the Proposed Budget and Final Changes.

Phase I - Project Issues and Corrective Actions - Reports

The availability and accuracy of reports has improved significantly since November, but improvements are still needed in the following areas:

- Reports based on the departmental elements of the chart of accounts, such as department object, department revenue source, function codes (Performance Counts!), etc., must be provided on a regular basis;
- Ad-hoc reporting capabilities have now been enabled and are just beginning to be tested on a limited basis with the Auditor-Controller Accounting Division;
- Drill-down capabilities (from a summary amount to the detailed transactional level) were turned off due to system performance, but will begin again when the new reporting model is implemented;
- Several of the methods (download, extracts of journal information) provided for departments to obtain expenditure and revenue information in lieu of standard reports are experiencing problems due to the high volume of data and an alternative solution (COGNOS enhanced features, PC database) is being explored to handle the volume;
- The warrant and fund reconciliation process is cumbersome and an automated process is being explored for reconciling large accounts; and
- The reports needed for the annual close are being reviewed to assure they meet the County's needs.

The planned approach to reporting has been significantly revised to incorporate a revised report model to improve the performance and ease the process of maintaining the data warehouse and creating reports. The revised model is planned for implementation by the end of March. This will allow the Auditor-Controller staff to begin implementing department element reports and to provide drill-down capabilities on

some expenditure reports. A full revision of the report model is scheduled to be completed in June. Reporting for all future Phase II eCAPS modules will be based on this revised reporting model.

Also, the eCAPS Team is working with the CIO to explore the acquisition of software for archiving historical and scheduled reports. This will provide for a more efficient method of accessing prior month reports and reduce the activity on the COGNOS report servers. The approach will improve access by departments for on-demand and ad-hoc reporting capabilities.

Other Issues

Departments have identified operational issues or concerns related to eCAPS reporting and procedures. The eCAPS Team has held over 22 meetings with individual departments to provide additional information on existing eCAPS functionality, to answer operational questions, and to gather information on other department issues and concerns. The eCAPS Project Team is then working with the Auditor-Controller's Systems Division to address those issues and concerns related to the on-going application. Fixes or improvements that are implemented are communicated to departments through email, the monthly department liaison meetings and the eCAPS website. Additional information and assistance has been provided to departments to address identified problem areas, such as contract tracking, and the processing of inter-departmental billings.

Phase II – Accomplishments and Planned Activities for the next Period

On April 19, 2005, the Board of Supervisors approved an Amendment No. 1 to the eCAPS Agreement with CGI-AMS for five sub-projects to the eCAPS Project:

- Budget Preparation (Went live in January 2006; department rollout in September 2006)
- Time Collection (Revised: Go-live pilot scheduled for June 2006 at Rancho Los Amigos)
- Materials Management – Procurement, Inventory, and Fixed Assets
- Human Resources Design (Design to be completed May 2006)
- Legacy System Analysis (Analysis to be completed May 2006)

The Budget Preparation Sub-project was implemented in the CAO for development of the FY 2006 –07 Proposed Budget. The Time Collection Sub-project for DHS had been delayed to shift resources to address problems in reporting and Phase I processing. This sub-project has been restarted and is scheduled to go-live at Rancho Los Amigos in June 2006. The design phase is complete for Fixed Assets and this module is scheduled for implementation in November 2006. The Procurement, Inventory, and HR module designs are in the process of being completed.

Budget Preparation (BP)

The BP module was implemented on January 16, 2006 for use by the CAO in preparation of the Proposed Budget for FY 2006 - 2007. The eCAPS Project Team provided operational support to the CAO staff during the implementation process. The process for this first year began at the point of submission of department budget requests to the CAO. Departments prepared their requests on Excel spreadsheets, which after being reviewed by CAO analysts, were loaded into the eCAPS BP module. Any adjustments and recommendations to department requests were entered into the BP application.

The CAO analysts also entered department requested budget information into the legacy Budget Information System (BIS). BIS served as a backup to the BP module and as a backup to the preparation of the budget books for the Proposed Budget.

Budget Reports

The eCAPS Project Team in conjunction with staff from the CAO and Auditor-Controller identified 128 reports related to this phase of the BP implementation. To date 58 reports are in production, 46 reports are in testing and 24 reports remain to be developed. It was the original project plan to have all reports complete by the end of March. This activity is behind and will be the focus during the next several weeks.

In addition, the eCAPS Project Team has begun discussions with departments and planning the rollout of the BP module for use by all departments in developing their FY 2007 –2008 budget requests. As part of that planning effort, any additional reports needed will be identified and developed.

Time Collection (TC)

The TC Sub-project implementation plans for Department of Health Services (DHS) were delayed due to a decision to shift resources to address problems with the eCAPS Phase I nightly cycle and reporting problems. During that period the eCAPS Project Team and CGI continued to work on the development of training materials, reports and improvements to the on-line time card. In March 2006, the remaining TC testing and training applications environments were provided and the project team was able to establish a revised go-live schedule to implement the TC module at Rancho Los Amigos National Rehabilitation Center (Rancho) in June 2006.

The team has:

- Completed system testing;
- Begun User Acceptance Testing (UAT);
- Identified security groups and users for the Rancho implementation;
- Completed the user training materials;
- Held informational sessions with the DHS departments to keep them informed about the new TC process; and

- Planned a roll-out schedule to all DHS facilities for completion in February 2007.

Change Notice

When Amendment No. 1 was approved, an implementation plan for the rollout of the TC module throughout DHS was unknown and only funds to train DHS trainers to implement the TC application were provided. DHS has now established a complete schedule for implementing the TC module at all remaining DHS facilities by February 2007. Due to the projected number of staff to be trained and the conversion of existing employee information, DHS has requested additional support from CGI-AMS be provided through the eCAPS Agreement.

Change Notice #6 was submitted by CGI-AMS. It was reviewed and approved by the eCAPS Advisory Committee to provide additional support to DHS for data conversion, training assistance, and implementation support beyond the original contract period to assist in rolling out the new TC application to all DHS facilities.

The cost of the change notice is \$330,000 and the eCAPS Advisory Committee directed that DHS be charged for the cost due to it being specific to DHS.

Materials Management (MM)

The MM Sub-project covers three modules: Procurement/Vendor Self-service, Inventory and Fixed Assets. The Fixed Asset Team has completed the Implementation Analysis Document for its module and the Procurement and Inventory Teams are in the process of completing their project design documents.

Fixed Assets

The Fixed Asset Team completed the design phase for the Fixed Asset module and presented its recommendations to the eCAPS Advisory Committee in February. The project team identified 12 modifications which were recommended to the eCAPS Advisory Committee.

All modifications were review by the Auditor-Controller and other department staff to identify viable alternatives prior to recommending a modification to the eCAPS Advisory Committee. Many of the requested changes were simplified and an alternative developed for one of the more expensive proposed modifications. This resulted in a cost savings for the Fixed Asset module in comparison to the amount identified in the contract amendment.

At the February eCAPS Advisory Committee meeting, Change Notice #5 was reviewed and approved for 12 modifications to the application, returning \$120,350 savings to the contract contingency fund. The implementation schedule was established for the Fixed Asset module as November 2006 and remains close to the original plan.

Procurement and Inventory

The Procurement Team completed application prototyping based on the County's business requirements and finalized its recommendations to the eCAPS Advisory Committee for the first part of the project related to central purchasing functions. Additional modifications may be necessary as the procurement function is expanded to cover department's delegated purchasing authority.

The eCAPS Advisory Committee has reviewed and approved the proposed list of modifications and gave direction to the project team to explore some alternatives a few modifications to reduce the proposed costs. This will be done and an implementation plan developed to complete the Implementation Analysis Document by early April.

The Inventory Team has completed prototyping, the Fit-gap Analysis Report and the draft of the Implementation Analysis Document. Proposed modifications will be presented to the eCAPS Advisory Committee in April.

HR Design

The HR Design Sub-project scope is to review the County's business requirements in all seven functional areas (HR administration, Benefit Administration, Time and Attendance, Payroll, Compensation, Recruitment and Employee Self-service), and to develop both a Fit-gap analysis and Implementation Analysis Document for all the modules. The TC Sub-project described above addresses only a subset of the County's requirements for some of these areas, but the HR Design will conduct a complete review for desired Time and Attendance functionality. The activities between sub-projects will be coordinated to ensure consistency in direction. The HR Team has:

- Completed the prototyping activity for each of the seven modules;
- Reviewed the list of issues/questions identified in prototyping and developed summaries for the eCAPS Advisory Committee members to review; and
- Held several informational sessions with departments to gather additional information on their requirements.

The main task for this sub-project will be the development of the Fit-Gap Analysis document based on the prototyping for each of the functional areas.

Legacy System Analysis

The Legacy System Sub-project is comprised of three areas of analysis:

- **FAS Review** – A review of the DPW business requirements in order to incorporate FAS financial application functionality into the eCAPS application is being conducted. DPW currently interfaces transactions to eCAPS for general ledger, budget control and accounts payable.
- **Interest Allocation** – A review of the Auditor-Controller's legacy interest allocation application for incorporation into eCAPS.

- **Consolidated Accounting and Financial Reporting (CAFR)** – This will establish a process for obtaining information from eCAPS to develop the annual CAFR. This will ensure that the proper information is available for development of this fiscal year's CAFR.

The Legacy System Analysis Project Team has completed prototyping for the FAS Review and the Interest Allocation. Proposed modifications have been identified and alternatives are being explored. The project team is preparing a review package for eCAPS project management's consideration during the next few weeks. The CAFR requirements have been identified and prototyping will begin shortly.

This sub-project is on schedule for completion of the Implementation Analysis Document in May 2006, as planned.

Budget / Change Notice

The eCAPS Agreement consisted of a base contract amount of \$13,115,000 for Phase I; Amendment No. I for \$32,791,618 for Phase II; and a contingency amount of \$5,200,000 for a total eCAPS Agreement of \$51,106,618. The following table shows the Change Notices approved by eCAPS Advisory Committee actions as of March 31st:

eCAPS Contract Change Notices

#	Description	Amount
1	Modifications to Phase I functional areas (General Ledger, Accounts Payable, Accounts Receivable, Cost Accounting)	\$437,625
2	Additional post-implementation support for Phase I and 5 year maintenance for 1099 process software	\$259,875
3	Extension of the key milestone dates for Budget Preparation	\$0
4	Modifications for the Time Collection Sub-project	\$467,650
5	Six months technical support to Auditor Systems Division	\$283,500
6	Additional implementation support to DHS Time Collection Sub-project	\$330,000
7	Modifications for the Fixed Asset Sub-Project	(\$120,350)
8	Modifications for the Procurement Sub-project	Pending

All changes to the eCAPS Project plan, timetable, and software modifications are reviewed and approved by the eCAPS Advisory Committee. As of March 22nd, there have been seven change notices approved. Six change notices allocated an additional \$1,778,650 for software modifications and funded additional post-implementation technical support to the Auditor-Controller's Systems Division for the eCAPS application. The seventh change notice returns \$120,350 of the Fixed Asset Sub-project budget to the contingency budget for other uses due to a reduction in needed software modifications.

CIO Oversight Concerns and Recommendations

Progress has been made in resolving existing problems with eCAPS Phase I reports and addressing new reporting needs through the use of COGOS consulting resources. COGNOS is also being used to support the development and review of Phase II Budget Preparation reports.

In concert with the eCAPS Project Team, we identified the following issues that may impact the project:

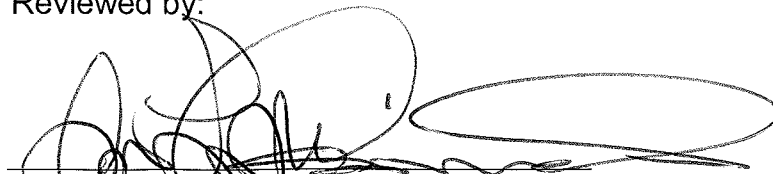
- **Improving the use of the eCAPS application and reporting.** Additional training is required on the application and reporting tools to support County operational needs and to ensure end-user satisfaction. This training should address requested application functionality, system queries, parameter driven reporting and ad-hoc reporting.
- **Future reporting infrastructure needs.** A workgroup chaired by the CIO and comprised of County, CGI-AMS and COGNOS staff was organized to address eCAPS reporting reliability issues and future capacity planning (hardware and software). Implementation of Phase II modules (Materials Management and Time Collection) will require additional upgrades to the existing reporting environment.
- **Sub-project Communication.** eCAPS is a group of tightly integrated financial and human resources modules and has many data interdependencies. Close communication and coordination between sub-projects is critical to a successful implementation of the full system. As Phase II modules are being designed and implemented, extra effort and attention must be given to this area.

We will continue to monitor these issues as well as the overall project, and provide direct assistance wherever possible to ensure that project objectives are met.

JTM:rad

c: Chief Administrative Officer
eCAPS Advisory Committee
Information Systems Commission
County Counsel

Reviewed by:

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Jon W. Fullinwider
Chief Information Officer